

Date: August 28, 2018

To: Authorized Representatives of School Food Authorities (SFAs) Participating in the U.S. Department of Agriculture (USDA) Child Nutrition Programs

From: Jessica Sharkus, RDN, CD
Director-School Nutrition Team (SNT)

Subject: 2018-19 School Year (SY) Paid Lunch Meal Price Flexibility

On April 30, 2018, the SNT School Nutrition Bulletin provided the Paid Lunch Equity (PLE) guidance per [USDA Policy Memorandum SP 12-2018](#), which allows any SFA with a positive or zero balance in its nonprofit school food service account as of January 31, 2018, to be exempt from PLE requirements found at 7 CFR 210.14(e) for SY 2018-19 (<https://www.fns.usda.gov/school-meals/policy>). Qualification for this exemption was documented using a recent SNT PLE Survey and was part of the online contract approval.

SFAs that had a negative balance in the nonprofit school food service account as of January 31, 2018, must follow PLE requirements when establishing their prices for paid lunches in SY 2018-19.

New! DPI recently received guidance from USDA stating SFAs that are exempt from the PLE requirements for SY 2018-19 are able to set paid lunch prices at the prices the SFA determines to be appropriate. This means that SFAs may reduce their paid lunch price(s). Currently, this flexibility only applies to SY 2018-19.

The goal of the PLE provision is to bring in new revenue to strengthen the financial standing of the nonprofit school food service account. Any SFA that would like to reduce its paid lunch price(s) should consider the effect that reducing prices might have in its ability to cover all program food service expenses with less revenue in the nonprofit school food service account.

Any SFA that qualifies and is interested in reducing their paid lunch price(s) will need to update their online school nutrition contract with the modified paid meal price(s) and notify households of the adjustment. We recognize that this is late notice, school has started for many SFAs, and households have already been notified of paid meal prices. The paid meal price adjustment may occur at any point in SY 2018-19.

SFAs need to keep documentation to support their school food service fund balance to support the PLE exemption and current paid meal price(s). This may be requested as part of an Administrative Review.

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For concerns or questions regarding any of the information in this memorandum, please contact the School Nutrition Team at dpifns@dpi.wi.gov or (608) 267-9228.